SFA Modernization Partner
Financial Partners Functional and Technical Support

FP Modernization Services Final Summary

August 31, 2000

This Modernization Services Final Summary is being produced as a deliverable report of the Financial Partners Functional and Technical Support Task Order (#23). The report provides a status update for work covering the period from July 14, 2000 through August 31, 2000. Specifically, the report provides an overview of the work effort, summary status and the descriptions of the final deliverables for the task order.

OVERVIEW OF WORK EFFORT

The purpose of this deliverable (as outlined in Task Order #23) is to summarize the Modernization Partners' level of effort and functional/technical support provided to the FP Channel. This deliverable specifically documents the key activities/tasks planned, tasks completed, and outstanding issues related to this work. The level of support is intended to assist the FP Channel in completing key deliverables (outlined in this document) related to the FP Transformation effort. Modernization Partner resources have provided functional and technical support for several projects within the Financial Partners channel, including:

- Default Reduction Incentives (functional)
- Enhanced Monitoring of Financial Partners (functional)
- Common Third Party Interfacing – Middleware (technical)
- Document/Workflow Management (technical)
- Data Warehouse for Financial Partners (technical)

Our focus has been on the activities aligned with the Analysis and Design phase and did not include development and implementation of business or technology solutions, which would be addressed in subsequent phases. Much of the work to date has involved data gathering, best practices research and solutions recommendation. For example, the functional support work effort involved teaming with FP members to identify best practices and deliver functional expertise for two existing projects. This work also included assessing and recommending opportunities to improve SFA's FFEL Default Management process as well as designing a solution that will improve the FP risk modeling function.

The technical support work effort has involved gathering data toward the completion of business and technical requirements for three new FP technologies listed above. Our approach has been to work with Financial Partners team leads as well as with the CIO organization, including the eCommerce Application Development (eCAD) group and the Enterprise Data Warehouse Team in completing the work.

To date, all the data analysis and solutions design work have been completed, and we expect to begin development of the key work products.

SUMMARY STATUS

The functional and technical support through August 31, 2000 has largely focused on three areas: 1) Risk Modeling, 2) Default Management, and 3) Technical Requirements for FP data mart, document management, and common third-party interfacing (Middleware) platforms. Key activities included preparing for and conducting workshops to finalize recommendations, conducting cost and benefit analysis for each recommended solution, as well as drafting, reviewing and refining the final deliverables.

As issues and risks were identified associated with completing these deliverables, the team worked through the appropriate areas (FP, CIO, Modernization Partner, etc.) and gained resolutions.

Below is a summary status by focus area for the work conducted through August 31, 2000. Key documents supporting these activities are complete, and they are available upon request (e.g., workshop summaries, best practices summaries, etc.).

FPT Default Reduction

Work Planned For This Period:
- Continue analyzing delinquency, default and collection data as compared with industry benchmarks.
- Continue developing draft Default Management Report.
- Schedule Default Reduction application demonstrations with vendors and Financial Partners.
- Schedule Default Reduction Meeting with Jack Reynolds for Tuesday, August 1, 2000, to discuss progress to default management options.
- Submit draft Default Reduction Management Report to Jack Reynolds for discussion on Monday, August 14, 2000.
- Meet with Jack Reynolds to discuss draft Default Management Report recommendations on Monday, August 14 and Tuesday, August 22, 2000.

Work Accomplished During This Period:
- Analyzed performance benchmarks within the industry and student loan sector for cost benefit analysis.
- Completed an internal project analysis of default reduction options.
- Discussed available vendor services with the company HNC on intelligent debt collection tools.
- Scheduled and attended Default Reduction application demonstrations with the company CACI for Tuesday, July 18, 2000.
- Conducted a meeting with David Hammond in DCS to obtain current SFA data regarding defaults and debt collection.
- Met with Jack Reynolds on Tuesday, August 1, 2000, to discuss progress on default management options.
- Conducted internal project reviews of default reduction options and draft report.
- Submitted draft Default Reduction Management Report to Jack Reynolds for discussion on Monday, August 14, 2000.
- Follow-up interviews based on Jack Reynolds comments on draft deliverable included:
  - Audrey McGuire, Federal Asset Advisory Company LLP (FAAC), regarding portfolio analysis and valuation.
  - Gary Hopkins, DCS, regarding FAAC study, proposed legislation regarding defaulted Perkins loans, and OIG fraud hotline statistics.
  - Shirley Wheeler, DCS, regarding defaulted loan amnesty programs.
  - Ken Player, South Carolina Guaranty Agency, State Tax Offset Program.
- Met with Jack Reynolds to discuss Default Reduction Management Report options on Tuesday, August 22, 2000.

Project Planning/Administration:
- The final deliverable is being submitted for review and approval.

FPT Risk Modeling

Work Planned For This Period:
- Gather data for performance management indicators and benchmarks for risk model.
- Gather current SFA data from FFEL system, NSLDS and PEPS to map to data requirements and to conduct benchmarking.
- Meet with Data Warehousing team to discuss risk modeling business requirements and data requirements.
- Conduct internal validity testing for risk model calculations.
- Submit draft Risk Model conceptual design for review and testing by selected team members on Friday, August 18, 2000.
- Submit draft Risk Model summary for review by Oversight teams on Friday, August 18, 2000.
- Complete final draft of Risk Model Conceptual Design document and prototypes.
- Conduct follow-up workshop on August 22, 2000 with Oversight teams to discuss draft risk model conceptual design.

Work Accomplished During This Period:
- Completed development of Risk Modeling Conceptual Design draft document.
- Gathered current SFA data from FFEL system, NSLDS and PEPS to map to data requirements and to conduct benchmarking.
- Met with Data Warehousing team to discuss risk modeling business requirements and data requirements.
- Conducted follow-up meeting with key FP contacts on July 17, 2000 to discuss risk criteria and measurements.
- Prepared for follow-up workshop to review and refine Risk Model options and the conceptual design for Tuesday, July 25, 2000. This included the joint Oversight teams, Regional Specialists and Technical Resources.
- Conducted follow-up workshop to review and refine Risk Model options and the conceptual design on Thursday, August 10, 2000, which included the joint Enhanced Monitoring and Reengineering Teams.
- Conducted internal validity testing for risk model calculations.
- Submitted draft Risk Model conceptual design for review and testing by selected team members on Friday, August 18, 2000.
- Submitted draft Risk Model summary for review by Oversight teams on Friday, August 18, 2000.
- Conducted re-scheduled follow-up workshop on Friday, August 25, 2000 with Oversight teams to discuss draft risk model conceptual design.
- Revised Risk Modeling Conceptual Design draft document, based on comments.

- Submitted final draft of Risk Model Conceptual Design Document and prototypes for review and approval.

Project Planning/Administration:
- The final deliverable is being submitted for review and approval.

FPT Technical Support

Work Planned For This Period:
- Finish consolidating Document Management information for Johan (or representative) to take to CIO organization for support.
- Continue collecting information regarding interfaces into and out of Financial Partners systems.
- Assist with collecting more detailed requirements for data warehousing and document management.
- Attend the Risk Modeling workshop to collect data warehousing requirements in support of risk modeling.
- Continue researching best practices for Data Warehousing and Imaging/Document Management.
- Assist in facilitating the Data Warehouse and Document Management team meetings.
- Draft Middleware deliverable.
- Finish researching best practices for Data Warehousing and Imaging/Document Management.
- Finish collecting information regarding interfaces into and out of Financial Partners.
- Finish collecting detailed requirements for data warehousing.
- Complete the Document Management, Data Warehouse, and Middleware deliverables.

Work Accomplished During This Period:
- Assisted with collecting more detailed requirements for data warehousing and document management.
- Finished researching best practices for Data Warehousing and Imaging/Document Management.
- Met with CIO representative on July 25, 2000 to discuss the Middleware project.
- Documented understanding of AC verses Client responsibilities related to the Common Third Party Interface (Middleware) project for the client.
- Facilitated the Data Warehouse and Document Management team meetings.
- Finished collecting information regarding interfaces into and out of Financial Partners.
- Finished collecting detailed requirements for data warehousing in support of phase one.
- Completed the draft of the Requirements deliverable for Document Management, Data Warehouse, and Middleware.
- Met with Paul Stonner to discuss the FP functional requirements that may be supported by a data warehouse.

Project Planning/Administration:
- The final deliverable is being submitted for review and approval.

FINAL DELIVERABLES

The final deliverables for task order #23 include a Default Reduction Management Report, Risk Modeling Conceptual Design, Requirements Matrix and a Final FP Modernization Services Summary. Descriptions and status for these deliverables are summarized in the table below.

Deliverable Number	Deliverable	Description/Acceptance Criteria	Due	Status
23.1.2	Default Reduction Management Report	This deliverable presents recommendations and incentives for default prevention and reduction, including best practices around debt collections.	8/31/00	Completed
23.1.3	Risk Modeling Conceptual Design	This deliverable outlines a conceptual design for the risk modeling function, drawing from best practices on risk modeling and risk profiling in the financial services community.	8/31/00	Completed
23.1.4	Requirements Matrix and Supporting Technologies	This deliverable contains a technical design for the three platforms within Financial Partners and associated technical requirements.	8/31/00	Completed
23.1.5	Financial Partners Modernization Services Final Summary	This document is delivered as a final report, providing executive level status of the FP Modernization effort associated with this task order. Specifically, we will document the key activities, tasks planned and completed, and the results/outcome.	8/31/00	Completed